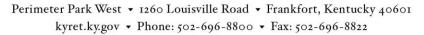


KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director





February 26, 2015

Mary C. Yaeger Office of Special Projects Legislative Research Commission Capitol Annex, Room 39 Frankfort, KY 40601

RE: HB 62 SCS/BR 214

AA Statement 1 of 1

Dear Mary:

HB 62 SCS retains the original provisions of HB 62 HCS, except that relative to an agency that finances their costs to discontinue participation through the systems, amends the bill to provide that the financing will be over a period not to exceed 20 years and to provide that the system may pursue legal action to recoup any installments payments not made by an agency and makes technical and clerical amendments.

KRS staff members have examined HB 62 SCS and have determined that if a participating employer withdraws from the KERS retirement system under the terms set forth in the bill, there would be a decrease of participation in benefits and a corresponding decrease in actuarial liability; however, these changes would be actuarially negligible in terms of the impact on the system, since the employer(s) would be required to pay the full actuarial cost associated with the withdrawal. Consequently, we have not requested any further analysis of HB 62 SCS by the System's independent actuary.

Please let me know if you have any questions regarding our analysis of HB 62 SCS.

Sincerely,

William A. Thielen Executive Director

Kentucky Retirement Systems

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